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January 15, 2019

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City of San Jose to Explore Implementing a Short-Term Loan Program for Federal Employees Working without Pay at Mineta San Jose International Airport

Mayor Liccardo has called a special meeting of the City Council to authorize the Administration to Immediately Begin Exploring a No-Interest Loan Program for Vital Federal Workers at SJC

San Jose, Calif. – With the Trump-inspired federal shutdown now entering its fourth week and no solutions in sight, the San Jose City Council will consider a proposal from Mayor Sam Liccardo to explore creating a short-term, no-interest loan program for vital federal employees currently working without pay at Mineta San Jose International Airport.

Mayor Liccardo has called a <u>special meeting on Wednesday, January 16 at 2 pm</u> for the City Council to consider directing the Administration to begin work on such a program.

"We are going to do everything in our power to keep political dysfunction in Washington from creating service disruptions or safety issues here in San Jose," said San Jose Mayor Sam Liccardo. "Mineta San Jose International Airport is vital to our local economy and we need our highly-skilled and trained federal workers there to keep it running smoothly. That's why we are exploring tools, like these local bridge loans, to help keep these essential workers on the job."

As vital employees – such as air traffic controllers, TSA security employees and Customs officers – face the choice of working without pay or finding other ways to support their families during the shutdown, airports throughout the nation have been left to weigh their options for maintaining daily operations. In one highly-publicized example, Miami International was forced to close one of its terminals early each day during the furlough.

At Mineta San Jose International Airport, approximately 500 federal employees have been forced to work without pay. The impact has been particularly noticeable in the airport's TSA operations, which employs 400 individuals, about half of whom are also San Jose residents. Since the shutdown, the daily absence rate has increased from 3% to 14%.

While some credit unions and banks are offering assistance for federal employees affected by the shutdown, many of these loan programs have low limits, varying interest rates and are only available to existing members. As a result, Mayor Liccardo has proposed exploring whether the City could implement a short-term loan program for SJC's essential federal workers along the following parameters:

- 1) The program would provide an amount equal to monthly take-home pay.
- 2) Loans would be repaid without interest upon the employees' receipt of back pay.

- 3) All safety related, mission-critical federal employees at the airport would be eligible to participate, including FAA air traffic controllers, TSA passenger screeners, and Customs officers.
- 4) The City would explore funding the program through Airport revenues, and administering the program in partnership with one or more financial institutions.

You can read the Mayor's proposal here.

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